



## **EVOLUTION ACADEMY TRUST**

**(A company limited by guarantee)**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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**EVOLUTION ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

T N G Bishop  
R M Jeffries  
S M Mitchell  
N R Watson

**Trustees**

R M Jeffries, Chair of Trustees  
M Adamson, Accounting Officer (appointed 1 September 2018, resigned 6 February 2019)  
S Bramble (resigned 1 September 2019)  
S A Greenacre (resigned 31 August 2019)  
R Jarvis (appointed 1 September 2019)  
J G Lawson (resigned 12 December 2018)  
A Matthews (appointed 1 September 2019)  
V J Newrick (resigned 31 August 2019)  
K Philpott (appointed 1 April 2019)  
A Randall (appointed 1 September 2019)  
D Rich  
D Whitehead

**Company registered number**

08158619

**Company name**

Evolution Academy Trust

**Principal and registered office**

Suite 1, Keswick Hall, Norwich, Norfolk, NR4 6TJ

**Chief Executive Officer**

L Holzer

**Independent auditors**

MA Partners Audit LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

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**EVOLUTION ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

**Structure, governance and management**

**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of Evolution Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The principal objects of the Trust are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum with a strong emphasis on, but in no way limited to, environmental science and engineering.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**c. Method of recruitment and appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

**d. Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees depends on their existing experience and includes accompanied visits with the CEO to Trust schools to view strengths and potential risks at first hand and meet senior leaders and business leaders across the Trust. Additionally, Trustees have access to online resources and are introduced to policies, procedures, minutes, accounts, budgets, plans and other documents as applicable that they will need to undertake their role as Trustees. As there is expected to be only two or three new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**e. Arrangements for setting pay and remuneration of key management personnel**

Our Trust Scheme of Delegation indicates that pay, conditions and contractual terms for the CEO is the responsibility of Members. Accordingly, the Members meet to complete a performance management review for the CEO in terms of action against targets set for the 2018/2019 academic year.

The CEO is responsible for the performance management and pay and conditions for the Executive Principals, Principals and Headteachers in the Trust, to ensure rigour and consistency and ensure all elements of pay and performance management are dealt with by a common format across the Trust. The CEO is also responsible for the performance management and pay and conditions of Central Senior Leaders including Head of Finance, Head of Estates, Head of School Improvement and Procurement Lead. This method of working also assists ongoing planning for sustainable leadership and ensures equality across the Trust.

**f. Trade Union facility time**

The Trust purchases Trade Union facilities time from both Norfolk and Suffolk County Councils. The agencies negotiate with Trade Unions on the Trust's behalf.

**g. Organisational structure**

The Trust was set up with a management structure to support the Trust's objects. The current structure consists of two levels: the Trustees and a Senior Leadership Team who are responsible for the day to day running of the schools.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

A Senior Leadership Team (SLT) is responsible for leading each Trust school on a day to day basis and regular scrutiny of their impact is undertaken by the CEO.

The SLT controls the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. It is responsible for the day to day operations of the Trust, in particular organising the teaching staff, facilities and students.

The SLT is responsible for overall spending, scrutinised by the Head of Finance, the Finance Officers and overseen by the CEO and Trust Finance Committee. The appointment of staff, through short listing and interviews for posts in the SLT always includes an individual trained in Safer Recruitment.

**h. Trustees' indemnities**

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities**

**a. Objects and aims**

**Our Vision** is for every child in our care to leave our Academies having developed their skills and knowledge to their fullest potential through exceptional teaching and curriculum, which value the uniqueness of the child alongside the Academy values. Through high aspirations and exceptional teaching and leadership, our children will thrive and be confident in their own abilities and know that they are capable of achieving anything they aspire to.

**b. Objectives, strategies and activities**

**Our Purpose** as a Trust:

- We are **respectful** of the identity and character of individual Academies and of an Academy's strengths, as well as understanding where it needs to make improvement.
- We are **resourceful** in that we do whatever it takes and mobilise the support needed to bring about improvement.
- We are **responsive** to the context of each Academy and its particular needs and adapt our strategies as circumstances change.
- We are **relentless** in our pursuit of improvement and adopt a 'no excuses' approach – believing that every child can achieve.
- We are **resilient** in persevering with improvement despite challenges and setbacks.

Our **Key Values** which every member of our Trust supports are:

- An understanding that we have the ability to profoundly change children's lives.
- An understanding that everyone is accountable to ensure that aspirations and expectations are high for every unique child in our care. Everyone has a responsibility to positively and passionately advocate for every child in our care.
- A personal commitment to self-evaluation and self-improvement for ourselves and others.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

**a. Review of activities**

This year the Trust has achieved the following:

- Successfully converted two additional Academies into the Trust.
- Significantly developed the central services to support finance in Academies.
- Significantly developed the estates strategy and team to further support property work in schools.
- Appointment and induction of a new CEO
- Successfully bid for CIF work to be completed
- Completed the building work and opened a new Primary School (from September 2019) completing the merger of Costessey Infant and Costessey Junior.
- Successfully appointed new Headteachers and senior leaders to the Trust.
- Developed an extensive training and support service to all Academies.

In September 2019, we successfully integrated Diversa Academy Trust into the Trust, adding three Academies to our group with associated talent and capacity.

Costessey Infant School and Costessey Junior School were both inspected by Ofsted in June 2016 and were both judged as Good.

Filby Primary School joined the Trust in October 2014 and the Trust remains pleased with the school's performance. An Ofsted Inspection took place late in 2017 and the school was judged as Good.

Eaton Primary and Wensum Junior School joined the Trust in February 2015 and were both sponsored Academy conversions as a result of these schools performing significantly below expected levels. The role of the Trust in sponsoring any school is to ensure school improvement to at least national levels then beyond as soon as possible.

Eaton Primary School was inspected by Ofsted in January 2018 and was judged as Good in all key areas.

Wensum Junior School was inspected by Ofsted in January 2018 and was judged as Good.

Dell Primary School opened as a sponsored school in the Trust on 1st November 2015. Dell Primary School was inspected by Ofsted in June 2018 and was judged as Requiring Improvement.

Elm Tree Primary School opened as a sponsored school in the Trust on 1st March 2016 and the period of time from then to national tests in May 2016 was too short for the Trust to have secured the improvement required. Elm Tree Primary School was inspected by Ofsted in October 2018 and was judged as Requiring Improvement.

Poplars Primary School joined the Trust in March 2018. The school was inspected in June 2014 and judged as Good. Ofsted undertook a short inspection in September 2017 and judged that Poplars Primary School continues to be a Good school.

Nelson Infant School joined our Trust in September 2018. The school was inspected in January 2017 and judged as Requiring Improvement.

Coldfair Green Primary School joined our Trust in April 2019. The school was inspected in April 2016 and judged as Good.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

For all our sponsored schools the Trust is aware that much improvement is still required and has planned for this in the current academic year. The data, as available from Ofsted and the DfE for each school is available on our schools page on the Trust website.

<http://www.evolutionacademytrust.co.uk/our-schools/>

**b. Fundraising**

The Trust takes a passive approach to fundraising. Fundraising takes place within individual schools and each Headteacher has oversight of all fundraising carried out at their school.

The Trust does not work with any commercial participators or professional fundraisers.

All fundraising conforms to recognised standards and the Trust has not received any fundraising complaints.

The Trust does not undertake any unreasonably intrusive or persistent fundraising approaches. No member of the public is placed under undue pressure to donate.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**b. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees review the risk register identifying major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. A risk register is completed for overall risks for each Board meeting which is then submitted to Trust members so the members may be satisfied that directors are fulfilling their duties effectively.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**c. Reserves policy**

The Trustees review the reserve levels annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have set a target reserve level of a fixed £50,000 per Academy and 2.5% of GAG to total circa £780,000 across the Academies. The aim of the reserves policy is to ensure salary costs can be covered in the event of critical incident and build a reserve for future buildings improvements. Actual free reserves as at 31 August 2019 were £1,570,541.

The Trustees and the individual school management teams recognise that current reserves are greater than the target. It is anticipated that these will decrease over the next financial year as strategic projects are developed alongside Academy and Trust strategic plans with associated costs.

**d. Investment policy**

The Trust is aware that cash balances have to be held to match our reserves policy and for future buildings programmes. The Trust ensures value for money by advising individual schools of the value of funds they should hold in 32 day notice accounts of term deposits and the CEO monitors the level of investments on a routine basis.

**e. Principal funding**

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also receives funding from other government bodies which are shown as restricted funds. There is also income from catering, lettings and energy supply which is shown as unrestricted funding in the financial statements.

The Trust also receives grants for fixed assets from the ESFA and other government bodies. In accordance with applicable accounting standards, such grants are shown in the Statement of Financial Activities as restricted income (in the fixed asset fund). The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

**Plans for future periods**

1. To ensure that the offer to schools in support, development and training and business services allows schools to accelerate their progress towards improvement aims rapidly.
2. To effectively grow the Evolution Academy Trust in order to best achieve outstanding outcomes for all pupils in all schools in the Trust and to sponsor schools requiring development.

**Funds held as custodian on behalf of others**

No such funds are held.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 20 December 2019 and signed on its behalf by:

  
.....  
**R M Jeffries**  
Chair of Trustees

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Evolution Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Evolution Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R M Jeffries, Chair of Trustees	7	7
S Bramble	6	7
S A Greenacre	6	7
J G Lawson	2	2
V J Newrick	3	7
K Philpott	3	3
D Rich	7	7
D Whitehead	7	7

The performance of the Board is monitored by the Members who receive updated KPIs after each Board meeting. These KPIs risk rank each school and the Trust in terms of indicators for standards, resources, governance, staffing and site issues.

The Trust Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve the Trust budget annually, accept the Auditors' Annual Report and monitor the allocation of funds.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R M Jeffries	3	3
D Rich	3	3

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**EVOLUTION ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Ensuring that staff expertise is shared across the Trust's schools to impact on improved outcomes in each.
- The Trust has maintained a database of all services and contracts in its schools and has ensured the same supplier for most services in all schools. This aids efficiency and has created cost savings in many contracts, for instance, a saving of 30% in grounds maintenance at one school. By operating in this manner it also ensures no school can take a contract that would be outside ESFA regulations.
- The Board of Trustees continues to hold the CEO and each school to account for pupils progress, safeguarding and effective use of all resources. The Trustees receive detailed information, including potential risks, regarding each school on a half termly basis. If, for instance, the Trustees note potential difficulties in the budget setting by any school they quickly hold the school to account and provide support as required.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Evolution Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



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**EVOLUTION ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Educator Solutions to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included ensuring:

- The financial responsibilities of the Trustees are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are fully taken into account in reaching decisions

On an annual basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned.

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**EVOLUTION ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**


**Review of effectiveness**

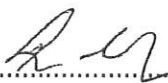
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20 December 2019 and signed on their behalf by:

  
.....  
**R M Jeffries**  
Chair of Trustees

  
.....  
**L Holzer**  
Accounting Officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Evolution Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



**L Holzer**

Accounting Officer

Date: 20 December 2019

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**EVOLUTION ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees and signed on its behalf by:

  
.....  
R M Jeffries

Date: 20 December 2019

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EVOLUTION ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of Evolution Academy Trust (the 'trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EVOLUTION ACADEMY TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EVOLUTION ACADEMY TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Frank Shippam BSc FCA DChA (Senior statutory auditor)**

for and on behalf of

**MA Partners Audit LLP**

7 The Close

Norwich

Norfolk

NR1 4DJ

20 December 2019



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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
EVOLUTION ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Evolution Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Evolution Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Evolution Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Evolution Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Evolution Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Evolution Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
EVOLUTION ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Annex C: Schedule of requirements (the "musts") of the Academies Financial Handbook 2018.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
EVOLUTION ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MA Partners Audit LLP*

**MA Partners Audit LLP**  
7 The Close  
Norwich  
Norfolk  
NR1 4DJ

Date: 20 December 2019

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
<b>Income from:</b>						
Donations and capital grants:	3					
Assets transferred on conversion		91,585	(269,000)	4,748,415	4,571,000	5,231,309
Donation in kind		-	-	2,832,276	2,832,276	-
Other donations and capital grants		60,254	24,750	413,486	498,490	1,231,943
Charitable activities		513,863	13,604,761	-	14,118,624	11,342,982
Other trading activities		102,610	-	-	102,610	70,244
Investments	6	3,392	-	-	3,392	6,850
<b>Total income</b>		<b>771,704</b>	<b>13,360,511</b>	<b>7,994,177</b>	<b>22,126,392</b>	<b>17,883,328</b>
<b>Expenditure on:</b>						
Charitable activities		110,556	14,796,930	606,050	15,513,536	12,221,672
<b>Total expenditure</b>		<b>110,556</b>	<b>14,796,930</b>	<b>606,050</b>	<b>15,513,536</b>	<b>12,221,672</b>
<b>Net income/(expenditure)</b>		<b>661,148</b>	<b>(1,436,419)</b>	<b>7,388,127</b>	<b>6,612,856</b>	<b>5,661,656</b>
Transfers between funds	17	(806,854)	462,638	344,216	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(145,706)</b>	<b>(973,781)</b>	<b>7,732,343</b>	<b>6,612,856</b>	<b>5,661,656</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(1,564,000)	-	(1,564,000)	847,000
<b>Net movement in funds</b>		<b>(145,706)</b>	<b>(2,537,781)</b>	<b>7,732,343</b>	<b>5,048,856</b>	<b>6,508,656</b>



**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	1,716,247	(632,158)	22,099,944	23,184,033	16,675,377
Net movement in funds	(145,706)	(2,537,781)	7,732,343	5,048,856	6,508,656
<b>Total funds carried forward</b>	<b>1,570,541</b>	<b>(3,169,939)</b>	<b>29,832,287</b>	<b>28,232,889</b>	<b>23,184,033</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 59 form part of these financial statements.



**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08158619**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	29,813,092	21,824,616
		<u>29,813,092</u>	<u>21,824,616</u>
<b>Current assets</b>			
Debtors	15	880,449	737,635
Cash at bank and in hand		3,675,279	4,291,985
		<u>4,555,728</u>	<u>5,029,620</u>
Creditors: amounts falling due within one year	16	(1,648,931)	(1,502,203)
<b>Net current assets</b>		<u>2,906,797</u>	<u>3,527,417</u>
<b>Total assets less current liabilities</b>		<u>32,719,889</u>	<u>25,352,033</u>
<b>Net assets excluding pension liability</b>		<u>32,719,889</u>	<u>25,352,033</u>
Defined benefit pension scheme liability	24	(4,487,000)	(2,168,000)
<b>Total net assets</b>		<u><u>28,232,889</u></u>	<u><u>23,184,033</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	29,832,287	22,099,944
Restricted income funds	17	1,317,061	1,535,842
		<u>31,149,348</u>	<u>23,635,786</u>
Restricted funds excluding pension asset	17	31,149,348	23,635,786
Pension reserve	17	(4,487,000)	(2,168,000)
<b>Total restricted funds</b>	17	<u>26,662,348</u>	<u>21,467,786</u>
<b>Unrestricted income funds</b>	17	1,570,541	1,716,247
<b>Total funds</b>		<u><u>28,232,889</u></u>	<u><u>23,184,033</u></u>

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 21 to 59 were approved by the Trustees, and authorised for issue on 20 December 2019 and are signed on their behalf, by:

  
.....  
**R M Jeffries**  
Chair of Trustees

The notes on pages 26 to 59 form part of these financial statements.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>260,126</b>	588,769
<b>Cash flows from investing activities</b>	20	<b>(876,832)</b>	(936,852)
<b>Change in cash and cash equivalents in the year</b>		<b>(616,706)</b>	(348,083)
Cash and cash equivalents at the beginning of the year		<b>4,291,985</b>	4,640,068
<b>Cash and cash equivalents at the end of the year</b>	21	<u><b>3,675,279</b></u>	<u>4,291,985</u>

The notes on pages 26 to 59 from part of these financial statements



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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Evolution Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life.



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**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Long leasehold buildings	- 2% straight line.
Leasehold land	- over duration of the lease
Furniture and equipment	- 15% straight line
Computer equipment	- 25% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

The Trust is party to lease agreements with Norfolk County Council and Suffolk County Council for the school properties.

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.10 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**1.11 Pensions**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.



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**EVOLUTION ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.12 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying values of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.



**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Donations</b>					
Assets transferred on conversion	91,585	(269,000)	4,748,415	<b>4,571,000</b>	5,231,309
Donation in kind - see Note 14	-	-	2,832,276	<b>2,832,276</b>	-
<b>Subtotal</b>	91,585	(269,000)	7,580,691	<b>7,403,276</b>	5,231,309
Donations	60,254	24,750	7,433	<b>92,437</b>	66,238
Capital Grants	-	-	406,053	<b>406,053</b>	1,165,705
<b>Subtotal</b>	60,254	24,750	413,486	<b>498,490</b>	1,231,943
<b>Total 2019</b>	151,839	(244,250)	7,994,177	<b>7,901,766</b>	6,463,252
<i>Total 2018</i>	165,305	(332,000)	6,629,947	6,463,252	

A creditor has been recognised for a potential clawback of Condition Improvement Funding totalling £38,847. Income from capital grants above is shown net of clawback adjustments.

**EVOLUTION ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	11,110,487	<b>11,110,487</b>	9,286,836
Pupil Premium	-	1,056,195	<b>1,056,195</b>	796,738
Universal Infant Free School Meals	-	316,098	<b>316,098</b>	235,289
PE and Sport Premium	-	174,946	<b>174,946</b>	140,812
MAT Development and Improvement	-	97,800	<b>97,800</b>	-
Teachers Pay Grant	-	87,866	<b>87,866</b>	-
Rates	-	41,038	<b>41,038</b>	33,850
Free School Meals Supplementary grant	-	36,960	<b>36,960</b>	-
Conversion	-	-	-	95,000
	-	12,921,390	<b>12,921,390</b>	10,588,525
Special Educational Needs	-	487,210	<b>487,210</b>	127,834
Early years funding	-	113,177	<b>113,177</b>	127,329
Norwich Opportunity Area	-	57,421	<b>57,421</b>	-
Pupil Premium - LA	-	19,315	<b>19,315</b>	7,547
Other grants	-	6,248	<b>6,248</b>	14,950
Supporting other schools	-	-	-	6,000
	-	683,371	<b>683,371</b>	283,660
Clubs	175,822	-	<b>175,822</b>	164,969
Catering	162,180	-	<b>162,180</b>	113,803
Trips	145,288	-	<b>145,288</b>	131,476
Services provided to other schools	28,532	-	<b>28,532</b>	59,599
Uniforms	2,041	-	<b>2,041</b>	950
	513,863	13,604,761	<b>14,118,624</b>	11,342,982
<b>Total 2018</b>	<b>470,797</b>	<b>10,872,185</b>	<b>11,342,982</b>	

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Insurance reclaims	394	<b>394</b>	15,012
Lettings	82,024	<b>82,024</b>	40,806
School fund	8,441	<b>8,441</b>	7,550
Solar panels	11,751	<b>11,751</b>	6,876
	<u>102,610</u>	<u><b>102,610</b></u>	<u>70,244</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Investment income	3,392	<b>3,392</b>	6,850

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Educational operations:					
Direct costs	6,755,137	-	887,247	<b>7,642,384</b>	6,206,766
Support costs	4,647,007	1,445,181	1,778,964	<b>7,871,152</b>	6,014,906
	<u>11,402,144</u>	<u>1,445,181</u>	<u>2,666,211</u>	<u><b>15,513,536</b></u>	<u>12,221,672</u>
<i>Total 2018</i>	<u>9,183,860</u>	<u>1,029,752</u>	<u>2,008,060</u>	<u>12,221,672</u>	



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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Educational operations	7,642,384	7,871,152	<b>15,513,536</b>	12,221,672
<i>Total 2018</i>	<u>6,206,766</u>	<u>6,014,906</u>	<u>12,221,672</u>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>6,553,224</b>	5,076,658
Depreciation	<b>59,118</b>	51,826
Staff development	<b>84,401</b>	50,528
Teaching resources	<b>272,387</b>	241,946
Other direct costs	<b>285,769</b>	150,173
Educational visits	<b>185,572</b>	188,533
Agency staff	<b>201,913</b>	447,102
	<u><b>7,642,384</b></u>	<u>6,206,766</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension interest	73,000	64,000
Staff costs	4,647,007	3,660,100
Depreciation	546,932	432,277
Computer maintenance	290,686	322,311
Maintenance of property and equipment	352,742	311,283
Professional fees	321,754	142,794
Postage, stationery, printing and telephone	221,073	157,556
Insurance	56,795	47,692
Occupancy	545,511	286,192
Catering	721,934	509,367
Licenses	63,122	43,244
Audit and assurance	30,596	38,090
	<u>7,871,152</u>	<u>6,014,906</u>

During the year ended 31 August 2019, the Trust incurred Governance costs of **£423,878** (2018: **£440,065**).

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	230,350	211,568
Depreciation of tangible fixed assets	606,050	484,103
Fees paid to auditors for:		
- audit	20,000	20,000
- other services	5,000	6,685
	<u>661,400</u>	<u>722,356</u>

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,526,345	6,634,334
Social security costs	678,963	511,994
Pension costs	1,934,821	1,576,930
	<u>11,140,129</u>	<u>8,723,258</u>
Agency staff costs	201,913	447,102
Staff restructuring costs	60,102	13,500
	<u><u>11,402,144</u></u>	<u><u>9,183,860</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	49,767	-
Severance payments	10,335	13,500
	<u><u>60,102</u></u>	<u><u>13,500</u></u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory severance payments of **£10,335** (2018: £13,500). Individually, the payments were £7,953, £480, £700 and £1,202.

**c. Staff numbers**

The average number of persons employed by the Trust during the year was as follows:

	2019 No.	2018 No.
Teachers	146	132
Administration and support	303	253
Management	30	16
	<u><u>479</u></u>	<u><u>401</u></u>



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**10. Staff costs (continued)**

**d. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>1</i>
In the band £70,001 - £80,000	<b>3</b>	<i>1</i>
In the band £90,001 - £100,000	<b>1</b>	<i>-</i>
In the band £110,001 - £120,000	<b>-</b>	<i>1</i>
	<u><b>-</b></u>	<u><i>1</i></u>

**e. Key management personnel**

The key management personnel of the Trust is considered to be the CEO. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Trust was **£169,172** (2018: £213,158).

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**11. Central services**

The Trust has provided the following central services to its academies during the year:

- Curriculum development and monitoring
- Premises hire and utilities
- CEO and business manager support

The Trust charges for these services on the following basis:

For the year ended 31 August 2019, the Trust made a charge of 4% of GAG to cover the cost of these services for Norfolk schools. For Suffolk schools, the charge was 3% of GAG to 31 March 2019, then 4% of GAG until 31 August 2019.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Costessey Junior School	56,718	40,882
Costessey Infant School	43,946	33,077
Eaton Primary School	60,515	44,674
Filby Primary School	13,755	11,288
Wensum Junior School	36,379	26,641
Dell Primary School	51,717	45,945
Elm Tree Primary School	44,004	41,627
Poplars Primary School	68,521	31,726
Nelson Infant School	32,143	-
Coldfair Green Primary School	9,106	-
<b>Total</b>	<b>416,804</b>	<b>275,860</b>

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mark Adamson (former CEO and Trustee)	Remuneration	40,000 -	
		45,000	
	Pension contributions paid	5,000 -	
		10,000	
A Hull (former CEO and Trustee)	Remuneration		90,000 -
			95,000
	Pension contributions paid		10,000 -
			15,000

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**12. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2019, expenses totalling £118 were reimbursed or paid directly to 1 Trustee (2018 - £3,234 to 2 Trustees).

**13. Trustees' and Officers' insurance**

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**14. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	22,737,925	228,964	246,464	23,213,353
Additions	3,704,264	83,685	58,162	3,846,111
Inherited on conversion	4,731,938	16,477	-	4,748,415
At 31 August 2019	31,174,127	329,126	304,626	31,807,879
<b>Depreciation</b>				
At 1 September 2018	1,124,974	136,399	127,364	1,388,737
Charge for the year	506,489	22,086	77,475	606,050
At 31 August 2019	1,631,463	158,485	204,839	1,994,787
<b>Net book value</b>				
At 31 August 2019	29,542,664	170,641	99,787	29,813,092
At 31 August 2018	21,612,951	92,565	119,100	21,824,616



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**14. Tangible fixed assets (continued)**

Included within leasehold property additions is an extension to the building at Costessey Junior School to allow for the amalgamation of Costessey Junior School and Costessey Infant School which were previously on separate sites. This building project was funded and managed by Norfolk County Council with a part contribution made by the Trust through a successful bid for Condition Improvement Funding. A donation in kind of £2,832,276 has been recognised in both fixed asset additions and voluntary income, being the total project cost less a contribution of £400,000 by the Trust capitalised in a previous financial year.

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**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	7,769	14,243
VAT repayable	280,137	334,143
Prepayments and accrued income	592,543	389,249
	<u>880,449</u>	<u>737,635</u>

**16. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	892,393	831,763
Other taxation and social security	165,566	150,292
Other creditors	230,257	159,134
Accruals and deferred income	360,715	361,014
	<u>1,648,931</u>	<u>1,502,203</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	<u>1,716,247</u>	<u>771,704</u>	<u>(110,556)</u>	<u>(806,854)</u>	<u>-</u>	<u>1,570,541</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,155,585	11,110,487	(10,930,406)	(430,889)	-	904,777
Pupil Premium	151,328	1,075,510	(1,071,701)	30,605	-	185,742
Special Educational Needs	-	487,210	(487,210)	-	-	-
PE and Sport premium	9,768	174,946	(171,441)	(13,273)	-	-
Universal Infant Free School Meals	-	316,098	(316,098)	-	-	-
Conversion grants	104,159	-	(21,123)	-	-	83,036
School improvement grant	62,800	-	(23,107)	-	-	39,693
Sponsor Capacity grant	45,000	-	-	-	-	45,000
Early years funding	-	113,177	(113,177)	-	-	-
Devolved Formula Capital	-	-	(190,070)	190,070	-	-
Other grants and donations	7,202	30,998	(28,325)	(3,875)	-	6,000
Rates	-	41,038	(41,038)	-	-	-
Teachers Pay Grant	-	87,866	(87,866)	-	-	-
MAT Development and Improvement	-	97,800	(71,933)	-	-	25,867
FSM Supplementary Grant	-	36,960	(36,960)	-	-	-
Norwich Opportunity Area	-	57,421	(30,475)	-	-	26,946



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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Pension reserve	(2,168,000)	(269,000)	(1,176,000)	690,000	(1,564,000)	(4,487,000)
	<u>(632,158)</u>	<u>13,360,511</u>	<u>(14,796,930)</u>	<u>462,638</u>	<u>(1,564,000)</u>	<u>(3,169,939)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	18,992,833	4,748,415	(465,234)	-	-	23,276,014
Devolved Formula Capital	29,916	190,070	(650)	(190,070)	-	29,266
Capital expenditure from GAG	707,328	-	(86,828)	558,102	-	1,178,602
NCC capital grant	6,196	-	(2,478)	-	-	3,718
Condition Improvement Fund	2,275,450	215,983	(43,034)	(40,964)	-	2,407,435
Academies Capital Maintenance	48,175	-	(1,036)	-	-	47,139
Other capital grants and donations	40,046	7,433	(6,790)	17,148	-	57,837
NCC donation in kind - merger of CJS and CIS	-	2,832,276	-	-	-	2,832,276
	<u>22,099,944</u>	<u>7,994,177</u>	<u>(606,050)</u>	<u>344,216</u>	<u>-</u>	<u>29,832,287</u>
<b>Total Restricted funds</b>	<u>21,467,786</u>	<u>21,354,688</u>	<u>(15,402,980)</u>	<u>806,854</u>	<u>(1,564,000)</u>	<u>26,662,348</u>
<b>Total funds</b>	<u>23,184,033</u>	<u>22,126,392</u>	<u>(15,513,536)</u>	<u>-</u>	<u>(1,564,000)</u>	<u>28,232,889</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds (continued)**

The specific purposes for which the funds are to be applied are as follows:

The **General Annual Grant (GAG)** has been provided by the ESFA in order to fund the normal running costs of the Trust. The following transfers have been made from the GAG: £690,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £30,605 to Pupil Premium representing amounts overspent on that fund and £558,102 representing fixed asset additions from GAG funding. £806,854 has been transferred from unrestricted funds in respect of amounts overspent on GAG and £40,964 has been transferred from the Condition Improvement Fund (CIF) in respect of eligible CIF expenditure previously allocated against GAG.

**Fixed Assets transferred on conversion** represent the carrying value of fixed assets on joining the Trust. The expenditure against this fund represents depreciation charged on these fixed assets.

The **Devolved Formula Capital** restricted fixed asset fund relates to funding for the cost of minor capital works and ICT replacement. The expenditure against this fund represents depreciation charged on these fixed assets.

The **NCC capital grant** represents a grant from Norfolk County Council toward the cost of play equipment. The expenditure against this fund represents depreciation charged on the fixed asset.

The **Condition Improvement Fund** has been provided by the ESFA toward the cost of building improvements.

The **Academies Capital Maintenance** fund has been provided by the ESFA toward the cost of improvements to the kitchen at Costessey Junior School. The expenditure against this fund represents depreciation charge on the capitalised improvement costs.

The **NCC donation in kind** represents the value of works funded by Norfolk County Council for the merger of Costessey Junior and Infant school.

The **Pupil Premium** funding has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

The **Special Educational Needs** funding has been provided by the Local Authority to fund those pupils that require additional educational support.

The **PE and Sport Premium** funding has been provided by the ESFA to help improve the quality of PE and sport activities offered to pupils.

Funding was received from the ESFA to assist with the provision of infant free school meals, consisting of **Universal Infant Free School Meals** grants and **Free School Meals Supplementary grants**.

The **Conversion grants** were provided by the ESFA toward conversion costs for the new academies.

The **School Improvement grants** were provided by the ESFA for school improvement work. This work had not started at the year end date.

The **Sponsor Capacity grant** was provided by the ESFA to build capacity in all areas at Costessey Junior School in order to sponsor the new academies.

The **Early Years** funding has been received from the local authority to provide early years provision.

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**17. Statement of funds (continued)**

The **Devolved Formula Capital** restricted fund relates to the amount of this funding used for general profit and loss maintenance costs. A transfer of £190,070 was made from the restricted fixed asset fund to the restricted fund to reallocate the amount of this funding used for profit and loss account expenditure.

**Rates relief** is received from the ESFA towards the cost of rates for the Trust.

The **Teachers Pay** grant was received from the ESFA to support the teacher pay award that came into effect on 1 September 2018.

The **MAT Development and Improvement Fund (MDIF)** was provided to the Trust toward taking on and improving new schools within the Trust.

The **Norwich Opportunity Area** was launched by the government to raise education standards locally, providing every child and young person in the area with the chance to reach their full potential in life.

The **Pension Reserve** has been treated as a restricted fund in accordance with ESFA guidance.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Costessey Junior School	634,645	913,385
Costessey Infant School	1,029,847	990,011
Eaton Primary School	248,113	222,855
Filby Primary School	132,230	167,793
Wensum Junior School	184,926	196,052
Dell Primary School	158,744	181,177
Elm Tree Primary School	121,664	176,020
Poplars Primary School	350,516	233,151
Nelson Infant School	(11,780)	-
Coldfair Green Primary School	2,530	-
Central Services	36,167	171,645
Total before fixed asset funds and pension reserve	2,887,602	3,252,089
Restricted fixed asset fund	29,832,287	22,099,944
Pension reserve	(4,487,000)	(2,168,000)
<b>Total</b>	<b>28,232,889</b>	<b>23,184,033</b>



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**17. Statement of funds (continued)**

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit £</b>
Nelson Infant School	<b>11,780</b>

Nelson Infant School joined Evolution Academy Trust on 1 September 2018, with a modest surplus on conversion. Since joining, a thorough and robust review of the school has been undertaken to identify areas requiring improvement. Several areas requiring action were identified and one-off costs were incurred making the necessary improvements.

The Trust is taking the following action to return the academy to surplus:

To return the academy to surplus for 2019/20 a thorough review of all areas of spending has been undertaken and cost savings identified. Staff cost savings have been achieved by not replacing leavers wherever possible. Expenditure will be closely monitored by the central finance team to ensure year end outturn is in line with the set budget.

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**17. Statement of funds (continued)**

**Total cost analysis by academy**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Costessey Junior School	819,369	363,744	42,471	215,765	<b>1,441,349</b>	1,360,503
Costessey Infant School	596,703	310,657	9,383	314,359	<b>1,231,102</b>	1,069,719
Eaton Primary School	945,122	378,191	33,651	380,911	<b>1,737,875</b>	1,782,196
Filby Primary School	244,531	90,885	10,150	85,252	<b>430,818</b>	409,437
Wensum Junior School	609,018	257,598	27,308	266,424	<b>1,160,348</b>	1,123,315
Dell Primary School	909,575	517,980	39,630	361,067	<b>1,828,252</b>	1,810,588
Elm Tree Primary School	865,498	423,149	33,977	370,433	<b>1,693,057</b>	1,596,556
Poplars Primary School	1,123,475	552,319	50,798	583,709	<b>2,310,301</b>	1,118,951
Nelson Infant School	423,291	313,154	17,814	273,831	<b>1,028,090</b>	-
Coldfair Green Primary School	160,515	56,863	7,132	48,991	<b>273,501</b>	-
Central Services	58,040	1,382,467	73	332,213	<b>1,772,793</b>	1,466,304
<b>Trust</b>	<b>6,755,137</b>	<b>4,647,007</b>	<b>272,387</b>	<b>3,232,955</b>	<b>14,907,486</b>	<b>11,737,569</b>

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**17. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds	<u>1,805,849</u>	<u>713,196</u>	<u>(100,406)</u>	<u>(702,392)</u>	<u>-</u>	<u>1,716,247</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,169,841	9,320,686	(9,039,693)	(295,249)	-	1,155,585
Pupil Premium	107,765	804,285	(760,722)	-	-	151,328
Special Educational Needs	-	127,834	(127,834)	-	-	-
Supporting other schools	-	6,000	(6,000)	-	-	-
PE and Sport premium	-	140,812	(131,044)	-	-	9,768
Universal Infant Free School Meals	-	235,289	(235,289)	-	-	-
Conversion grants	26,136	95,000	(16,977)	-	-	104,159
School improvement grant	95,000	-	(32,200)	-	-	62,800
Sponsor Capacity grant	45,000	-	-	-	-	45,000
Early years funding	-	127,329	(127,329)	-	-	-
Devolved Formula Capital	-	-	(61,688)	61,688	-	-
Regional Academy Growth	97,458	-	(97,458)	-	-	-
Other grants and donations	16,181	24,950	(33,929)	-	-	7,202
Pension reserve	(2,203,000)	(342,000)	(967,000)	497,000	847,000	(2,168,000)



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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
	(645,619)	10,540,185	(11,637,163)	263,439	847,000	(632,158)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	13,930,757	5,452,110	(390,034)	-	-	18,992,833
Devolved Formula Capital	30,916	61,688	(1,000)	(61,688)	-	29,916
Capital expenditure from GAG	380,071	-	(53,936)	381,193	-	707,328
NCC capital grant	8,674	-	(2,478)	-	-	6,196
Condition Improvement Fund	1,083,297	1,104,017	(31,312)	119,448	-	2,275,450
Academies Capital Maintenance	49,211	-	(1,036)	-	-	48,175
Other capital grants and donations	32,221	12,132	(4,307)	-	-	40,046
	15,515,147	6,629,947	(484,103)	438,953	-	22,099,944
<b>Total Restricted funds</b>	14,869,528	17,170,132	(12,121,266)	702,392	847,000	21,467,786
<b>Total funds</b>	16,675,377	17,883,328	(12,221,672)	-	847,000	23,184,033

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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	29,813,092	<b>29,813,092</b>
Current assets	1,575,737	2,921,949	58,042	<b>4,555,728</b>
Creditors due within one year	(5,196)	(1,604,888)	(38,847)	<b>(1,648,931)</b>
Provisions for liabilities and charges	-	(4,487,000)	-	<b>(4,487,000)</b>
<b>Total</b>	<u>1,570,541</u>	<u>(3,169,939)</u>	<u>29,832,287</u>	<u><b>28,232,889</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	21,824,616	21,824,616
Current assets	1,754,985	2,999,307	275,328	5,029,620
Creditors due within one year	(38,738)	(1,463,465)	-	(1,502,203)
Provisions for liabilities and charges	-	(2,168,000)	-	(2,168,000)
<b>Total</b>	<u>1,716,247</u>	<u>(632,158)</u>	<u>22,099,944</u>	<u>23,184,033</u>

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**19. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	<b>6,612,856</b>	5,661,656
<b>Adjustments for:</b>		
Capital grants from DfE and other capital income	<b>(215,983)</b>	(1,104,017)
Depreciation charges	<b>606,050</b>	484,103
Dividends, interest and rents from investments	<b>(3,392)</b>	(6,850)
Net (gain) on assets and liabilities from local authority on conversion	<b>(4,571,000)</b>	(5,231,309)
Defined benefit pension scheme cost less contributions payable	<b>413,000</b>	406,000
Defined benefit pension scheme finance cost	<b>73,000</b>	64,000
Increase in debtors	<b>31,143</b>	25,249
Increase in creditors	<b>146,728</b>	289,937
Donation in kind - see Note 14	<b>(2,832,276)</b>	-
<b>Net cash provided by operating activities</b>	<b>260,126</b>	588,769

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>3,392</b>	6,850
Purchase of tangible fixed assets	<b>(1,013,835)</b>	(2,032,640)
Capital grants from DfE Group	<b>42,026</b>	967,739
Cash transferred on conversion to an academy trust	<b>91,585</b>	121,199
<b>Net cash used in investing activities</b>	<b>(876,832)</b>	(936,852)

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>3,523,752</b>	3,991,196
Notice deposits (less than 3 months)	<b>151,527</b>	300,789
<b>Total cash and cash equivalents</b>	<b>3,675,279</b>	4,291,985

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**22. Conversion to an academy trust**

On 1 September 2018 Nelson Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Evolution Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	3,418,774	<b>3,418,774</b>
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	68,567	-	-	<b>68,567</b>
LGPS pension deficit	-	(226,000)	-	<b>(226,000)</b>
<b>Net assets/(liabilities)</b>	<u>68,567</u>	<u>(226,000)</u>	<u>3,418,774</u>	<u><b>3,261,341</b></u>



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**22. Conversion to an academy trust (continued)**

On 1 April 2019 Coldfair Green Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Evolution Academy Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	1,313,164	<b>1,313,164</b>
Other tangible fixed assets	-	-	16,477	<b>16,477</b>
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	23,018	-	-	<b>23,018</b>
LGPS pension deficit	-	(43,000)	-	<b>(43,000)</b>
<b>Net assets/(liabilities)</b>	<u>23,018</u>	<u>(43,000)</u>	<u>1,329,641</u>	<u><b>1,309,659</b></u>

**23. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	315,195

**24. Pension commitments**

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk Pension Fund and Suffolk Pension Fund. Both are multi-employer defined benefit schemes.

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**24. Pension commitments (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

A further valuation of the LGPS was underway at the date of signing of these accounts, but the results were not finalised and therefore are not reflected within this note.

Contributions amounting to £186,840 were payable to the schemes at 31 August 2019 (2018 - £159,134) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019. The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge), this rise has been delayed from 1 April 2019 to 1 September 2019
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

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**24. Pension commitments (continued)**

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £836,000 (2018 - £676,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £855,000 (2018 - £619,000), of which employer's contributions totalled £690,000 (2018 - £497,000) and employees' contributions totalled £165,000 (2018 - £122,000). The agreed contribution rates for future years are 19.1 - 26.6 per cent for employers and 5.5 - 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries (Norfolk)	<b>2.60</b>	2.60
Rate of increase for pensions in payment/inflation (Norfolk)	<b>2.30</b>	2.30
Discount rate for scheme liabilities (Norfolk)	<b>1.90</b>	2.80
Rate of increase in salaries (Suffolk)	<b>2.60</b>	2.60
Rate of increase for pensions in payment/inflation (Suffolk)	<b>2.30</b>	2.30
Discount rate for scheme liabilities (Suffolk)	<b>1.90</b>	2.80

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:



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**24. Pension commitments (continued)**

	<b>2019 Years</b>	<b>2018 Years</b>
<i>Retiring today</i>		
Males (Norfolk, Suffolk)	<b>21.1, 21.3</b>	22.1, 21.9
Females (Norfolk, Suffolk)	<b>23.5, 23.5</b>	24.4, 24.4
<i>Retiring in 20 years</i>		
Males (Norfolk, Suffolk)	<b>22.4, 22.3</b>	24.1, 23.9
Females (Norfolk, Suffolk)	<b>25.0, 24.9</b>	26.4, 26.4

**Sensitivity analysis**

	<b>2019 £000</b>	<b>2018 £000</b>
Real discount rate -0.5%	<b>1,458,000</b>	900,000
Salary increase rate +0.5%	<b>249,000</b>	195,000
Pension increase rate +0.5%	<b>1,179,000</b>	690,000

The Trust's share of the assets in the scheme was:

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
Equities	<b>3,010,000</b>	2,556,000
Corporate bonds	<b>1,964,000</b>	1,431,000
Property	<b>984,000</b>	514,000
Cash and other liquid assets	<b>132,000</b>	100,000
<b>Total market value of assets</b>	<b>6,090,000</b>	4,601,000

The actual return on scheme assets was £285,000 (2018 - £227,000).



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**24. Pension commitments (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(1,063,000)	(903,000)
Past service cost	(40,000)	-
Interest income	149,000	96,000
Interest cost	(222,000)	(160,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,176,000)</b>	<b>(967,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>6,769,000</b>	<b>5,531,000</b>
Current service cost	1,103,000	903,000
Interest cost	222,000	160,000
Employee contributions	165,000	122,000
Actuarial losses/(gains)	1,700,000	(716,000)
Benefits paid	(43,000)	(30,000)
Transfer in of scheme obligations	661,000	799,000
<b>At 31 August</b>	<b>10,577,000</b>	<b>6,769,000</b>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>4,601,000</b>	<b>3,328,000</b>
Benefits paid	(43,000)	(30,000)
Transfer in of scheme assets	392,000	457,000
Interest income	149,000	96,000
Actuarial gains	136,000	131,000
Employer contributions	690,000	497,000
Employee contributions	165,000	122,000
<b>At 31 August</b>	<b>6,090,000</b>	<b>4,601,000</b>

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**25. Operating lease commitments**

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	201,753	226,646
Later than 1 year and not later than 5 years	61,448	247,135
	<u>263,201</u>	<u>473,781</u>

**26. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**27. Related party transactions**

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Expenditure Related Party Transaction

Mrs J Hodge, a close family member of a trustee, Mr J G Lawson, is employed by the academy trust as a school secretary. Mrs J Hodge's appointment was made in open competition and Mr J G Lawson was not involved in the decision making process regarding appointment. Mrs J Hodge is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a trustee.

Mrs K Rich, a close family member of a trustee, Mr D Rich, is employed by the academy trust in an educational support staff role. Mrs K Rich's appointment was made in open competition and Mr D Rich was not involved in the decision making process regarding appointment. Mrs K Rich is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a trustee.